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Date: May 25, 2011

To: House Transportation Committee Members

From: Matt Smego 
Legislative Counsel

Re: Written Testimony on HB 4521

Thank you for the opportunity to provide written testimony in support of HB 4521.

Michigan Farm Bureau is the state's largest general farm organization representing over 48,000 farm family members. Our policy efforts are grassroots driven where local members develop, debate, and adopt our policy positions on an annual basis.

According to a 2008 study by the MSU Product Center, the Michigan Agri-food and Agr-Energy industry contributes over \$71.3 billion annually to the state's economy. This sector also accounts for 1.05 million jobs both directly and indirectly.

Michigan Farm Bureau recognizes the importance of the state and local road network to agriculture. Investment in infrastructure, such as highways and airports, can be directly linked to growth in business and economy. Improving Michigan's transportation system will create jobs, attract business and strengthen our economy. We believe state and local road agencies should be adequately funded so they are able to properly fund routine maintenance and ensure safe and efficient roadways to all motorists. We also acknowledge that Michigan's road and highway maintenance budgets have regularly seen funding short-falls over the last several years, and these funding deficiencies are growing due to the rising maintenance costs coupled with increases in automotive fuel economy. We believe all transportation expenditures must be examined to achieve the best and most efficient use of transportation funding.

An excerpt from Michigan Farm Bureau policy #98 Highways states,
"We support:

- User taxes when new revenue is needed for roads and bridges. New revenues for roads and bridges shall go through the current PA 51 formula. Such taxes must be in line with maintenance costs and should be consistent with neighboring states. We must not revert to the property tax or special assessments as a means of building and maintaining state roads and bridges.
- Diverting up to 100% of state sales tax collected on motor fuels from the general fund to the PA 51 formula to provide additional road funding.
- Electric car owners having to install a separate electric meter for charging electric cars. That meter usage would be taxed for the highway fund at a rate consistent with fuel taxes paid by other vehicles, or other suitable means for collecting the road tax.
- Taxing other forms of energy that are used in transportation at an equitable rate."

Again thank you for the opportunity to provide written testimony on behalf of Michigan Farm Bureau members and I urge your support of HB 4521.